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THE WHITE HOUSE
WASHINGTON

March 22, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JAMES T. LYNN
FROM: JAMES E. CONNOR *JEC*
SUBJECT: 1977 Budget Appeal for the
Organization of American
States (OAS)

The President reviewed your memorandum of March 11 on the above subject and approved the following:

"Increase OAS contribution to \$17.5 million"

The following notation was also made:

"Reprogram \$2.5 to OAS for UN Fund."

Please follow-up with appropriate action.

cc: Dick Cheney
Brent Scowcroft

THE WHITE HOUSE
WASHINGTON

March 20, 1976

MR PRESIDENT:

1977 Budget Appeal for
Organization of American States

Please note the additional comments provided by
NSC to support their recommendation (TAB A).

Jim Connor

*Reprogram 82.5 To
OAS for GEN. fund.*



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAR 11 1976

MEMORANDUM FOR: THE PRESIDENT
FROM: James T. Lynn *Ohlin*
SUBJECT: 1977 budget appeal for Organization of
American States (OAS)

On January 3, Acting Secretary of State Robinson appealed your decision made during the budget review to limit U.S. voluntary contributions for OAS technical assistance activities to \$15 million in 1977 rather than the \$25 million requested by the Department. The appeal was too late in the budget process to receive your consideration. The Department recently requested OMB approval for the Department to increase the \$15 million request now before the Congress to \$17.5 million and to offset this increase by decreasing the \$5 million request for the new UN fund for natural resources exploration to \$2.5 million. I am bringing this matter to your attention because of your specific December budget decision to reduce the OAS program.

The State Department believes that the political consequences of holding to a \$15 million contribution level will be serious. Announcement of the \$15 million figure at a recent meeting of OAS representatives apparently generated considerable unhappiness. State believes that the low funding level may cast doubt on the credibility of our efforts to reform the OAS system. They believe a \$17.5 million contribution, about the same level as last year, will help the political situation. NSC staff agree with the State position.

The gains from increasing our OAS contribution by \$2.5 million may well outweigh the losses of reducing our proposed contribution to the not yet established UN resources exploration fund. Nevertheless, OAS technical assistance activities are generally of low quality and priority, and neither State nor the OAS appear to have evaluated their substantive value. I have no way to judge whether a \$2.5 million increase will avoid the adverse political consequences the Department fears, but do see some advantage in signaling our concern with the program. All things considered, I still believe your initial decision to hold the program to \$15 million was correct and that it can be defended in terms of the many cut-backs required by your 1977 budget policy.

Decision:

Increase OAS contribution to \$17.5 million
(State and NSC recommendation)


Hold OAS Contribution to \$15 million
(OMB recommendation)

RA7

THE WHITE HOUSE
WASHINGTONACTION

March 19, 1976

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT 

SUBJECT: Appeal to Increase Level of OAS
Voluntary Contribution

The FY 1975 appropriation from Congress for voluntary contribution to the OAS technical assistance program totaled \$17.3 million. The Administration has requested \$20.8 million for FY 1976. The budget request for FY 1977 is \$15 million, which represents a substantially larger cut in the OAS budget than was made in the funds for other international organizations.

The reduced submission occasioned strong criticism from the Latin Americans at a recent meeting in Salvador and continues to serve as a focal point of our failure to honor our commitments to maintain levels of assistance to the neediest nations in Latin America. The State Department has now requested a shift of \$2.5 million to the OAS from a new \$5 million UN program for natural resource exploration. OMB prefers to hold the OAS program to \$15 million, as a means of signaling our concern with the way the program is run (Tab A). State thinks that this shift can be made without harming the UN program. State argues that adding \$2.5 million to the present \$15 million would bring the proposed level up to the level actually appropriated in 1975. At the same time, the obvious decrease from the \$20.8 million requested for FY 1976 would serve as an indication of our dissatisfaction with the way the program is run.

I think that this shifting of funds is appropriate in that it will strengthen our political posture towards the OAS while noting the need for administrative improvements. We should keep up good working relations with the OAS and at least not reduce our financial support for this program, since we may turn to the OAS for support in the event we decide to seek a resolution condemning Cuba. I therefore support State's request to reprogram \$2.5 million to the OAS from the UN.

RECOMMENDATION:

That you approve transferring \$2.5 million from the \$5 million UN program for natural resource exploration to the OAS voluntary contribution.

Approve MR7 Disapprove _____